Tax Increment Financing Program 2006 GUIDELINES

Previous Meetings

Internal Meetings: October 13, 2005; October 26, 2005; December 9, 2005

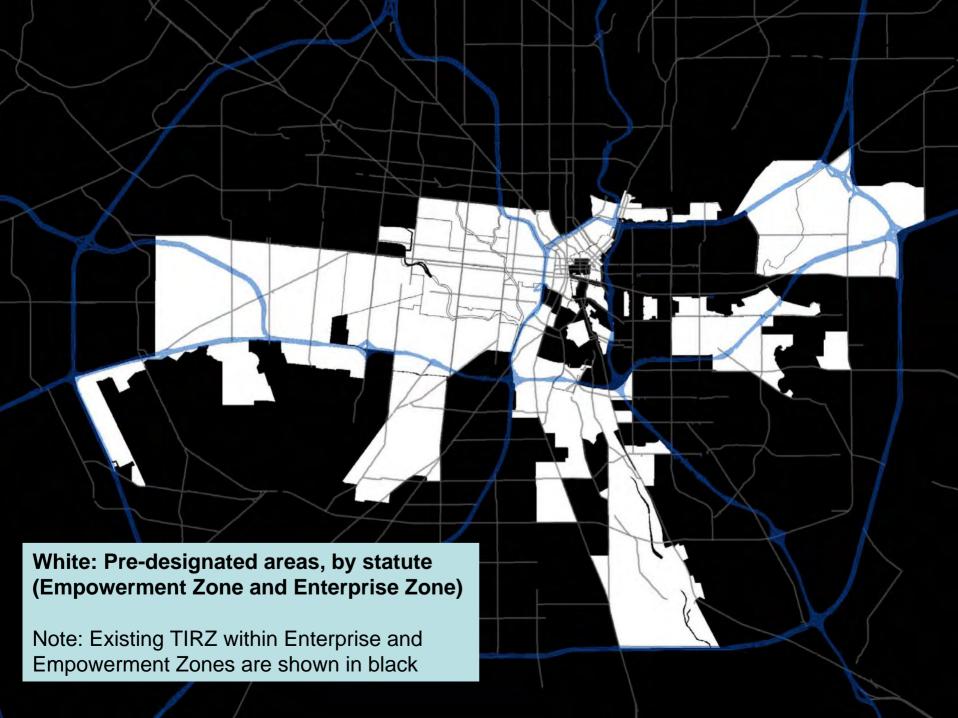
Stakeholder Meetings: December 15, 2005; web page comments

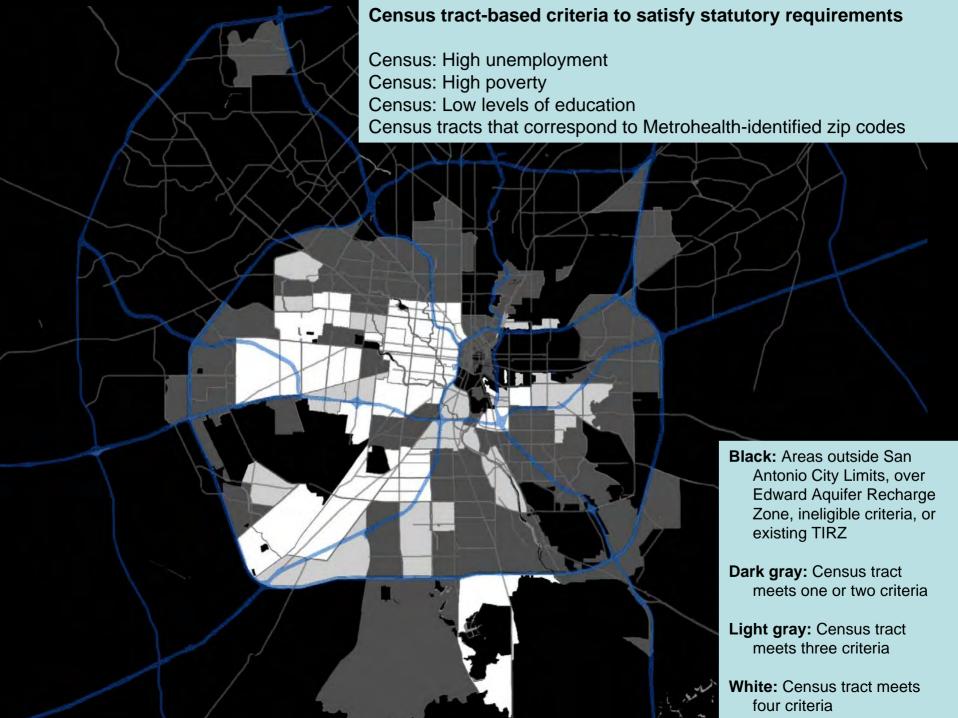
Tonight's Meeting: February 23, 2006

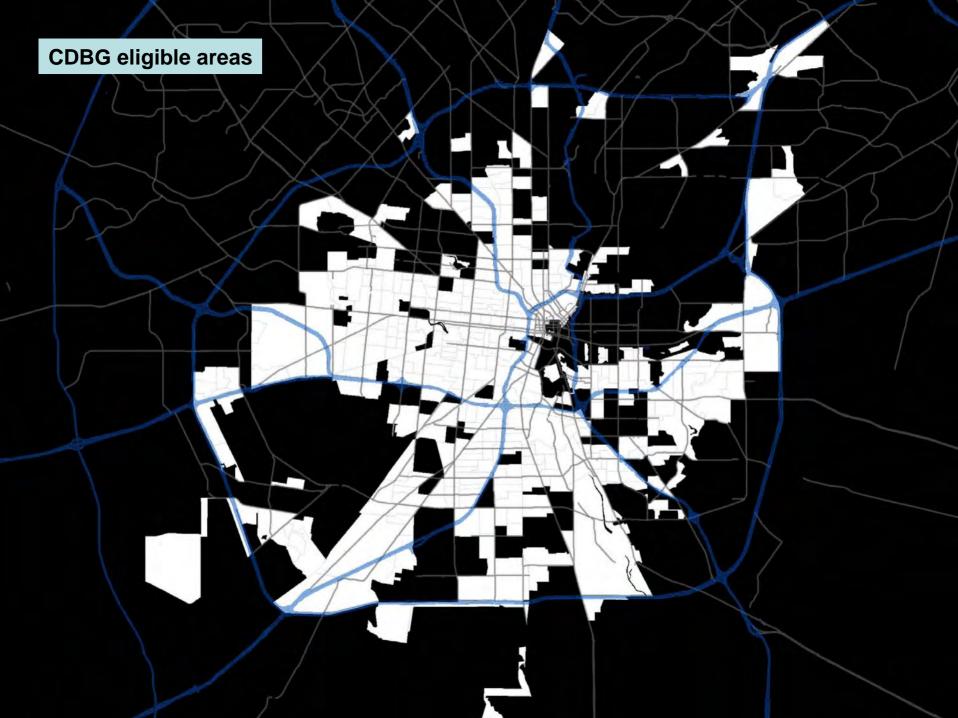
Statutory Eligibility

Creating new Tax Increment Reinvestment Zones

Additional Revisions







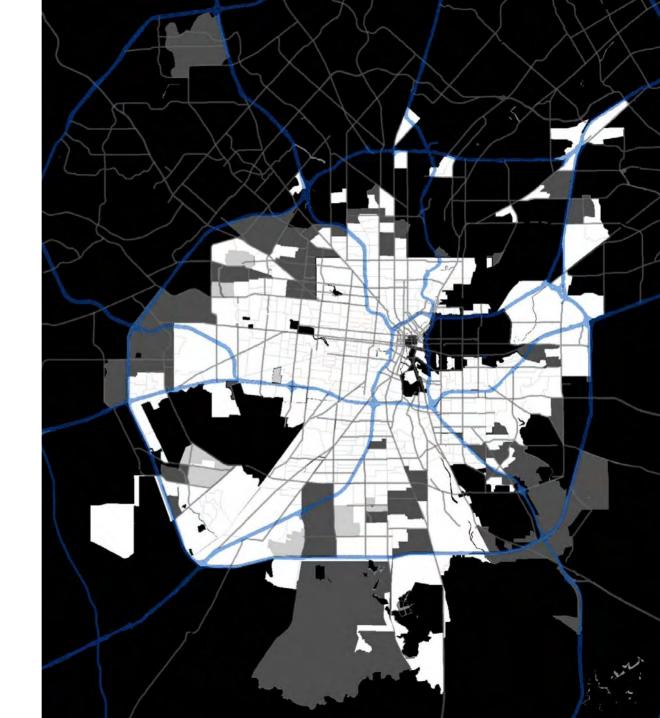
Combined criteria

White: "Pre-designated" by statute, meets all Census tract criteria, in CRAG, or CDBG-eligible. Up to 100% participation / 25 years.

Light Gray: Meets three Census tract criteria. Up to 90% participation / 20 years.

Dark Gray: Meets one or two Census tract criteria. Up to 80% participation / 15 years.

Black: Areas outside San Antonio City Limits, over Edward Aquifer Recharge Zone, ineligible criteria, or existing TIRZ. No participation.



CREATING NEW TAX INCREMENT REINVESTMENT ZONES

All new Tax Increment Reinvestment Zones (TIRZ) will be created through a City-initiated process, in accordance with both Section 311.005 of the Tax Code and the 2006 TIF Guidelines

General process:

- 1) City inventories and identifies reinvestment sites
- 2) development objectives are defined for each identified site based on Master Plan (and other City-adopted Plan) Goals and Policies
- 3) appropriate development incentives are offered, including City-initiated public improvements where appropriate
- 4) an RFP/RFQ is issued for master developer

CREATING NEW TAX INCREMENT REINVESTMENT ZONES

TIF Guidelines will continue to prioritize reinvestment and development that meets multiple policy objectives, while allowing for support of more targeted objectives where appropriate

Incentive package for each Zone – including construction of public infrastructure, interest payments, and other incentives – will be structured in accordance with the needs of each Zone prior to the RFP/RFQ for master developer

Market studies will be commissioned for each new TIRZ, tailored to focus on the TIRZ objectives, to determine demand, supply, absorption rates, comparables, etc., and to quantify "Need for Public Assistance"

CREATING NEW TAX INCREMENT REINVESTMENT ZONES

City-initiated process qualities:

Minimizes developer paperwork: City will be responsible for all preliminary stages of planning

Greater certainty for developer: shortens the project review timeline, simplifies the fee schedule, and reduces the amount of fees

TIF eligibility will no longer be an issue that arises after MDP and engineering, since statutory requirements and City support will be settled prior to issuance of RFP/RFQ

Gives TIRZ Boards a more critical role in finalizing project plans and managing development

Additional Revisions

County-initiated TIRZ will need to comply with City Guidelines in order to obtain City participation

Fiscal reporting procedure will specify direct reporting to school district and taxing entities on an annual basis